Opinion of the European Economic and Social Committee on Poverty among women in Europe

(2006/C 24/18)

On 28 April 2005 the European Parliament decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on Poverty among women in Europe.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 5 September 2005. The rapporteur was Mrs King.

At its 420th plenary session, held on 28 and 29 September 2005 (meeting of 29 September 2005), the European Economic and Social Committee adopted the following opinion with 79 votes in favour, no votes against and two abstentions.

1. Background

1.1 International Day for the Eradication of Poverty

The UN General Assembly has designated 17 October as International Day of Eradication of Poverty to promote awareness of the need to eradicate poverty and destitution in all countries.

1.2 Women and Poverty in the EU

The Committee of the Regions, the EESC and the European Parliament are each producing a paper on Women and Poverty in the EU to coincide with this day to contribute to the wider debate about the nature of poverty in the EU today. There has been a high level of coordination between these EU institutions although each paper is written from a different perspective.

1.3 Definition of At-Risk-of-Poverty

This is defined as the share of persons with an income below 60% of national median income. Income is defined as the household’s total disposable income divided and attributed to each household member.

1.4 Framework for Combating Poverty and Social Exclusion in the EU

In 2000, the Member States agreed to establish a European strategy to combat social exclusion and poverty (2000) using the open method of coordination. This strategy includes agreed objectives and the obligation for each Member State to present biennial National Action Plans in accordance with these objectives. The indicators include four dimensions of social inclusion — financial poverty, employment, health and education. Equality between women and men is not included as an overarching objective of this EU strategy.

1.5 Legal framework

Most policies addressing poverty and social exclusion remain within the competence of each Member State. However, under Articles 136 and 137 EC of the Treaty, the EU has an active role in supporting and complementing the activities of Member States in order to combat social exclusion.

Article 13 of the Treaty gives the EU competence to take actions, including legislative measures, to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

1.6 Level of poverty in the EU

In 2001, the numbers affected by relative income poverty is very significant with more than 55 million people or 15% of the EU population living at risk of poverty. More than half of them lived persistently on low relative income. This proportion varies considerably across Member States, with the share of the population at risk of poverty ranging from 9% in Sweden to 21% in Ireland. Generally speaking, this affects women to a significantly greater degree.

(1) Indicators of poverty risk are derived from European Community Household Survey.
1.7 Level of social exclusion

The longer the length of time someone has to live on low income the greater the risk of deprivation and exclusion from social, cultural and economic activity. In all Member States, half or more of those at risk of poverty in 2001 have been living on low income for an extended period of time, that is, they had an equalised income below the 60% threshold in the current year and at least two of the preceding three years (i.e. 1998-2000). On average in the EU, 9% of the population have been persistently poor in 2001. Here too, this affects women to a significantly greater degree.

1.8 Demographic and societal context in the EU

The demographic context in the EU is changing dramatically with the century-long growth in the size of Europe’s working age population soon going into decline. People aged 65 and over represent 16% of the total population while those below 15 represent 17% and life expectancy is growing. Over the next 15 years, the number of people aged over 80 will rise by almost 50% (2).

At the same time, developments in household structures are changing. There are fewer and later marriages, more marital breakdowns and also a fall in the number of couples with children. These developments have led to a trend towards smaller households, across all age ranges. Nobel Prize winner economist, Gary Becker and his colleague Judge Richard Posner, state that these changes can largely be explained in economic terms (3). They state that the increase in women’s financial independence through job opportunities outside the home means that there is a move from the ‘patriarchal marriage’ — with the male as earner and the women as dependent — towards ‘marriage as a partnership’. There is also an increase in the opportunity costs of childbearing: the higher a woman’s income and job status, the more she gives up, in terms of potential career progression and income, if she leaves the labour force, whether temporarily or permanently, to have children.

The other major change is the phenomenal rise in the number of children living with one adult. In 2000, 10% of children aged 0-14 years were living with just one adult compared with 6% in 1990. This is the result of the rise in the number of marital and relationship breakdowns and in unplanned pregnancies.

2. General comments

2.1 The EESC welcomes the opportunity to present its views on this topic but feels that the focus should have been ‘Gender and Poverty’ as opposed to ‘Women and Poverty’ because this would focus attention on the relationship and differences between men and women with regards to the causes of poverty.

The Committee strongly recommends that the Commission revisits the definition of poverty as it only highlights the overt causes of poverty and underestimates the level the poverty of women and the impact of that poverty. The definition assumes that household resources are shared equally within the family but it can be argued that poverty is experienced at an individual level and should be analysed at that level if the gender dimension is to be understood.

2.2 The EESC welcomes the UK Presidency’s announcement to relaunch a debate on the social protection systems and strongly recommends a gender impact analysis is done to ensure that these system takes account of the needs of women and men. There is an implicit assumption that women have a man’s income to fall back on. This assumption, which is out of touch with the reality of today’s society, is a key reason for the greater risk of poverty faced by women.

3. Specific comments

3.1 The Incidence of Poverty Risk

Women are generally at greater risk of living in a poor household: in 2001, 16% of adult women (aged 16 years or more) had an income below the threshold, against 14% of men in the same age group (4). This pattern is consistent across all Member States. The risk of poverty is highest among single parent households (35% of the EU average), 85% of which are headed by women. Female heads of household who are 18 and under are particularly at risk of poverty.

People aged 65 years and over suffer from relatively high risk of poverty. Two-thirds of the over 65s are women. Single female pensioners, especially those over 80 or without an occupational pension have a much higher poverty rate. A key reason for this is that the older a pensioner becomes, the greater his or her expenses, mainly relating to increased healthcare costs with regards to disability and mobility needs.

(*) Joint report by the Commission and the Council on social inclusion – 5 March 2004.
(4) Eurostat 2001; except for single households, gender gaps in poverty risk need to be interpreted with caution, since they rely on the assumption of equal sharing of income within the household.
Research shows that women who face multiple discrimination — for example, older women, women belonging to ethnic minority or migrant groups, women with disabilities, lesbians — are at even higher risk of social exclusion and poverty.

3.2 The labour market dimension of poverty and social exclusion among women

Employment is seen as a key factor for social inclusion and considered the single most effective route out of poverty, not only because it generates income but also because it can promote social participation and personal development. This is reflected in the objectives of the Lisbon Strategy which states that by 2010 ‘The European economy will be the most competitive and dynamic of all the economies based on knowledge in the world, with a sustainable economic growth capacity, with more and better jobs and greater social cohesion,’ and, for this, the participation of women in the labour market will be necessary and essential, with a concrete objective to achieve in 2010: a female employment rate of 60 %. Although women’s participation levels in the labour market are moving closer to those of men, women in paid labour are not free from the risk of poverty. This is because the participation of women in the labour market is accompanied by important difficulties such as the high unemployment rate of women in the EU25 (6) as well as a difficulty in balancing domestic and work responsibilities, the tendencies toward segregation and sectorisation of female employment, the prevalence of precarious forms of employment with limited social protection and the pay gap between men and women that exists in all European countries.

3.2.1 Pay gap

Thirty years after the 1975 Directive on Equal Pay women in the EU still earn on average only 85 % of men’s wages, hour for hour (6). In many countries, the discrepancy is much wider, and can reach up to 33 %. The EESC concurs with the EP FEMM Committee’s indignation that this gap still exists and agrees with its recommendation that the Council and Commission take appropriate steps ‘to put an end to this iniquity’. The male pattern has generally been a continuous and full-time labour market attachment from leaving full-time education until retirement. The break from the labour market, can have a detrimental effect on earnings. The interruption for childcare can mean shorter job tenure, less accumulated experience and less access to training. This is because pay increases are often awarded to those who stay in continuous employment for many years. Indeed, the more lengthy the break, the greater the cash penalty.

3.2.2 Mother’s level of education

The employment profile of a lengthy break whilst caring for young children is more likely for mothers with low educational qualifications. Whilst graduate mothers have shortened the length of time they break from the labour market, the behaviour of women with no qualifications has not changed. Mothers with no qualifications are more likely to break from the labour market until the child goes to school whereas those with a degree are more likely to only take maternity leave and pay for their child to be looked after by someone else. Therefore, women with lower educational qualifications, who are more likely to take longer breaks (and who also have the lowest earning potential before having children), are most heavily penalised financially.

3.2.3 Lone parenthood

As mentioned in paragraph 1.8, the number of lone parents has been increasing and the data shows that lone parents have a particular risk of suffering from poverty. Because 85 % of lone parents are women this risk of poverty is gender specific. Much of the risk can be attributed to low participation in the work force: only 50 % are in work compared with 68 % of married women (7). In contrast to mothers’ increasing employment rates, lone mothers’ employment rates have hardly changed.

Studies suggest that the lack of affordable childcare is not the only barrier to work for lone parents. Others include:

— Lone parents out of work generally lack marketable qualifications (8). The fewer qualifications they have, the weaker their chances to get back into the labour market. These depend crucially on the availability of affordable options for further training during time out from employment for parenting.

Lone parents tend to be concentrated in the geographical areas which experience lack of labour demand.

Lone parents out of work are more likely to be in ill-health and they are more likely to have a child or someone else in the house whose illness or disability restricts opportunities to work (one in ten of all out-of-work lone parents).

Lone parents in severe hardship are more likely to experience low morale, which in turn become a barrier to work.

Also many lone parents have to look after their children themselves and look for jobs with hours that enable them to spend as much time with their children as possible, and thus to combine parenting with employment. As a result, many of them are forced to settle for precarious, low-paid employment with a lower level of social protection.

3.2.3.1 Teenage pregnancy

Female heads of lone parent household who are 18 and under are particularly at risk of poverty. In the EU, 6% of young women were parents by the age of 18, although this varies from 3% in Italy, the Netherlands, Spain and Sweden to 12% in Hungary and the Slovak Republic and 13% in the UK (9).

Teenage parents are more likely than their peers to be living in poverty and unemployment and have difficulty escaping mainly due to the lack of education and the other reasons given above. For example 45% of women in the EU-15 who were teenage mothers are in households with income in the lowest 20%, while only 21% of women who had their first child in their 20s are in this income group. 90% of teenage parents receive welfare support and teenage mothers are more likely than other lone mothers to rely on benefits alone and to be on benefits for longer spells.

Member States have made reducing the incidence of teenage parenthood a priority as it offers an opportunity to reduce the likelihood of poverty and of its perpetuation from one generation to the next. How to reduce teenage births is subject to much debate with a broad range of solutions: from more sex education to less sex education; from abstinence education to free contraceptives in schools; from dispensing morning-after pills to reviewing the welfare benefits to encourage co-habiting and marriage among teenage parents.

The four EU Member States with the lowest teenage birth rates could be used as a benchmark for the other Member States tackling this issue.

3.2.4 In-work poverty

The increase in women’s participation in the labour market is a result of the increase in non-standard types of work, such as part-time, flexible hours, shift work and term time. Part-time employment among women is 27% on average against just 4% for men (10). In fact, the part-time gender wage gap is greater than the full-time one: the female part-time average hourly wage is close to 60% of the male full-time wage compared with the 82% for the female full-time hourly wage.

Those who have low educational qualifications, undeclared workers, minorities or migrants with little or no independent legal status are particularly at risk of poverty because the jobs they have tend to be low paying and low status with no job security. Research shows that in extreme cases these women face the risk of trafficking, prostitution and violence.

3.2.5 Unpaid work

Women remain unpaid for the work in the home. Even for the enormous number of women who are in paid employment, shopping, eldercare and childcare is still perceived as their responsibility as men do less than 40% of all domestic work and only 25% to 35% of childcare work (11). This unpaid work is not systematically recorded in national statistics, which means it is invisible to policy makers.

It should be stressed that balancing family and employment responsibilities is a real challenge for men and women. Women with children under 12 show employment rates over 15 points lower than childless women — 60% versus 75%. For men with children under 12, however, the employment rate is 91%, five points above the rate for men without children.

3.2.6 Long-term unemployment

This is very closely associated with social distress, as people who have been jobless for a long time tend to lose the skills and the self-esteem necessary to regain a foothold in the labour market, unless appropriate and timely support is provided. For

the EU as a whole, long-term unemployment rates are higher for women (4.5 %) than for men (3.6 %) \[^{(14)}\]. Despite this, programmes aimed at getting the long-term unemployed into paid work tend to benefit men as women are offered more restricted training and gender-stereotyped, and therefore lower waged, employment.

3.2.7 Pensions

3.2.7.1 Women’s disadvantages in the labour market and the resultant pay gap extends into retirement. This is because the pension model in many Member States was developed from a male perspective, discriminating against women as many take career breaks, work in non-standard employment or have periods of unpaid work. As a result many face disadvantage in building up the necessary rights and savings to enjoy security in older age. Two-thirds of pensioners are women, and their average income is 53 % of that of a man, which can impact on their health, housing and quality of life. 75 % of pensioners receiving income related welfare payments are women. The result is older women, including widows and divorcees, make up the poorest pensioners and with the long-term societal consequences of aging of the EU population this trend will continue to rise unless it is addressed.

In an earlier opinion \[^{(15)}\] the EESC recommended adapting pension systems to ensure gender equality with the long-term goal being the individualisation of pensions. The EESC further recommended that the experience of Member States should be shared so that certain women, namely those with career breaks, were not left with inadequate pensions.

This earlier opinion also noted that some Member States support their elderly people in other ways in addition to the provision of a pension. This includes, for example, more favourable taxation, free electricity, free or reduced fares for public transport and tax relief for rent. This recommendation is welcomed as women are more likely to be older (due to greater longevity) and to live alone (they outlive their partners) than men which means that they are more likely to face the problems encountered by older pensioners. Generally, older pensioners’ incomes from earnings and investments are lower while at the same time they may be facing greater expenses, related to disability, mobility needs and depreciation of assets.

3.2.7.2 Women, including minorities, legally resident and undocumented immigrants, who are in non-standard type of employment are further disadvantaged because these are less likely to be in an occupational pension scheme. As men earn a greater income than women during their working lives, their final pension will be higher for men than for women. Moreover, pension assets have previously been linked to the principle wage earner, the one who has accrued the asset, who is usually the man. Increasing divorce rates have called this into question, with the woman usually disadvantaged in the event of a partnership breakdown. However, a number of member states have introduced legislation in which courts are now able to split assets at the point of divorce in whichever way they deem appropriate.

3.3 The education dimension of poverty and social exclusion among women

3.3.1 Job choices and entry into employment are controlled by qualifications. The data shows this is especially the case for women. Women who are better qualified (defined as having a level of education ISCED 5 and 6) more often have a job than those who are less well qualified (having a level of education ISCED less than 2) \[^{(16)}\]. In the EU-25, 49 % of women aged 20-49 who are less well qualified have a job compared with 84 % of better qualified women. It should be pointed out that this difference of 30 percentage points in the case of women is only 10 points (83 % compared with 93 %) in the case of men. Better qualified women with children generally remain in employment. In the EU-25 the comparison between these two groups of women is as follows: no children (88 % vs. 57 %): 1 or 2 children (80 % vs. 43 %): 3 or more children (63 % vs. 22 %).

3.3.2 The curriculum encourages subject choices that are heavily gendered with girls choosing subject courses and careers that are poorly paid with teachers and career advisers not trained to consider or acknowledge the importance of gender issues. Those most at risk from this segregation are girls within households already at risk of poverty as research \[^{(17)}\] this group are disproportionately represented in low status jobs due to their low educational attainment. Part-time manual work is the most disadvantaged employment category for women, more so than other part-time and manual full-time jobs, because these women have very low levels of education. These women are constrained in their job choices due to the interaction of poverty and gender throughout their educational careers, which not only impacts on their working lives and retirement but can result in a cycle of intergenerational poverty.

3.3.3 The EESC welcomes the focus on jobs, and in particular women's employment, in the objectives of the Lisbon Strategy but notes that for women at risk of poverty this is insufficient. Member States have the opportunity to work with civil society, and NGOs, especially those who work in the area of gender equality and poverty eradication, to break this lifelong and intergenerational poverty by addressing the stereotyping in educational institutions with regards to girls' and boys' career choices and by developing effective adult educational courses that are accessible, develop marketable skills and meet the needs of these women.

3.4 Criminal justice dimension of poverty and social exclusion among women

3.4.1 Women are a minority of those accused or convicted of criminal offences, representing around one in five known offenders and only 6% of the prison population. The last decade, however, has seen a steep rise in the number of women in prison, although there is no equivalent rise in women offending (16). Most women are sent to prison for non-violent offences and they go for less than a year. Almost a quarter of women in prison are on remand, not convicted of any offence.

3.4.2 The same research indicates that a high proportion of women sent to prison have no financial security prior to their imprisonment, have either never worked or have only worked in low-paid jobs with no job security, have no secure accommodation, very little education and have been victims of either physical and/or sexual violence from family members or non-family male predators. Therefore women's imprisonment further excludes those who are already socially excluded.

3.4.3 The steep rise in the number of women in prison could be explained by the sentencing studies in some of the Member States covered by the research which suggest that women are often sent to prison because they are already socially excluded (e.g. homeless, unemployed, drug users); and that judges and magistrates think that because they are already socially excluded they are more at risk of committing a crime in the future and that imprisonment can and will, through its rehabilitative regimes and programmes, reduce the likelihood of already excluded women returning to crime (or drugs) once they are released from prison.

3.4.4 The research reveals the impossibility of rehabilitation and reintegration of women prisoners given the adverse employment and educational backgrounds of these women, the high proportions (50% in England and Wales) (17) of whom are mentally ill, combined with the relatively short sentence lengths of most female prison populations. It is debatable whether prisons are institutions of rehabilitation but even if this was the case, as the research findings show, it is difficult to see how prisons alone can be expected ever to provide the majority of prisoners with effective training, sustainable drugs rehabilitation, emotional support or marketable skills after release.

3.4.5 Prisons are primarily for punishment. The research found that prisons exclude women who were not excluded prior to their incarceration, and it excludes the socially excluded still further. Imprisonment is even more costly for women than it is for men as the damage done to children when their mothers go to prison. For example, in the UK 25% of imprisoned women declared that the father of their children, their husband or partner, was taking care of their children. For imprisoned men this proportion rose to 92%. This well outweighs any gains thought to have been made in terms of criminal justice, deterrence or diminution of risk.

3.4.6 Foreign women and women from minority groups are doubly discriminated against and as a result there is a disproportionately high ratio of them within the criminal justice system.

3.4.7 The EESC agrees with the recommendations of the report that action should be taken to drastically reduce the number of women who are sent to prison especially as many are in prison on remand and have not been convicted of any crime, and where a crime has been committed it is usually for a non-violent offence. Some Member States have introduced less damaging alternatives to imprisonment and with the right kind of care and support, women lawbreakers with many problems can achieve rehabilitative integration into the community.

3.5 Combating Trafficking in Women and Children

Trafficing in women and children is a consequence of structured gender inequality and is a form of violence. Trafficking thrives on poverty and victims suffer from multiple forms of poverty resulting in forced labour, sex slavery, physical and mental health problems, social exclusion among others. Prevention strategies of countries of origin must reflect and be reflected in poverty reduction and social development strategies with specific reference to economic opportunities for women. Long term prevention strategies must address the root causes of trafficking and these include poverty, discrimination, racism, patriarchal structures, violence against women, fundamentalisms, gender inequality, lack of social safety nets, money laundering, corruption, political instability, conflicts and uncontrolled zones, barriers and disparities between countries. All governments must introduce measures that recognise the unequal power relations between women and men and must introduce positive measures to promote the empowerment of women in all areas of life.

(16) Comparative Report based on National Reports’ Fieldwork Findings prepared by the Central European University Team. Data is from six EU Countries: Spain, Germany, England & Wales, Italy, France and Hungary.
4. Recommendations

4.1 The EESC welcomes the Joint report by the Commission and the Council on social inclusion dated 5 March 2004. It commends the six key policy priorities they have urged member states to give particular attention in their National Action Plans (see Appendix). However the EESC believes there is a glaring policy omission, namely the identification and monitoring of gender-specific indicators. The EESC strongly recommends that these are included as there are significant differences between men and women with regards to poverty, and without addressing the gendered nature of poverty or monitoring the impact of policies upon women and men alike, it is possible that many policies designed to alleviate poverty will meet with only partial success. Addressing the gendered nature of poverty will be in keeping with the commitment on poverty eradication made at the World Summit for Social Development held in Copenhagen in 1995 where it was agreed that special priority will be given to the needs and rights of women and children, who often bear the greatest burden of poverty.

4.2 Many Member States have significantly strengthened their institutional arrangements for mainstreaming poverty and social inclusion into their national policy making. However more should be done by including social partners, including NGOs, at a local, national and regional level into policy development and implementation, especially in the area of education, employment and pensions.

4.3 The EESC strongly recommends that the Lisbon Strategy objectives on increased employment for women is accompanied by strategies to ensure that women at risk of poverty develop marketable skills which lead to their financial independence. In addition, initiatives and measures must be stepped up to ensure women’s livelihoods throughout their lives; these should aim to raise the quality of employment and close the earnings gap. In a recent opinion on the integrated guidelines for growth and jobs, the EESC expressed its surprise that the current package of employment policy guidelines does not include specific guidelines on female employment.

4.4 The EESC believes that there is much to be gained by Member States sharing experiences in the areas that impact on women and poverty — pension provision, social protection systems, teenage pregnancies, eliminating violence against women, including trafficking, and female imprisonment.

4.5 Many Member States have signed up to the Beijing Platform for Action (September 1995), which called for governments to assess the value to the economy of unpaid work. However 10 years on Member States have not yet developed the measurement and monitoring systems to do this. They should be encouraged to do so and record it as part of their national statistics.

4.6 The European Institute for Gender Equality is to be opened in 2007. As gender is neglected in policies aimed at addressing poverty in the EU, it follows that the relationship between gender and poverty has been relatively neglected in research and statistical literature. The Institute can only bring about change if it is equipped with adequate budgetary resources. In a separate opinion on the Institute for Gender Equality, the EESC has already expressed its concern that these are not fully provided for in the relevant proposal for a regulation.

4.7 The EESC therefore suggests a few areas of priority. The new institute should conduct an in-depth analysis of existing data sets from a gender perspective.

4.8 Another area of gender and poverty that calls for special attention is the issue of the impact of poverty on women’s physical and mental health.

4.9 Thirdly there also appears to be little research on what women think and feel about being poor and whether they experience poverty differently from men.


The President
of the European Economic and Social Committee

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